

CHAPTER NO. 570

SENATE BILL NO. 175

By Atchley

Substituted for: House Bill No. 834

By McDaniel

AN ACT To amend Tennessee Code Annotated, Title 56, relative to insurance laws of the State of Tennessee.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-36-104(1), is amended by deleting subdivision (A) in its entirety and by substituting instead the following language:

(1)(A)(i) With respect to contracts providing for flexible considerations issued prior to July 1, 2002, the minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at a rate of interest of three percent (3%) per annum of percentages of the net considerations (as hereinafter defined) prior to such time, decreased by the sum of:

(a) Any prior withdrawals from or partial surrenders of the contract accumulated at a rate of interest of three percent (3%) per annum; and

(b) The amount of any indebtedness to the company on the contract, including interest due and accrued;

and increased by any existing additional amounts credited by the company to the contract.

(ii) With respect to contracts providing for flexible considerations issued on and after July 1, 2002, the minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at a rate of interest of one and one-half percent (1-1/2%) per annum of percentages of the net considerations (as hereinafter defined) prior to such time, decreased by the sum of:

(a) Any prior withdrawals from or partial surrenders of the contract accumulated at a rate of interest of one and one-half percent (1-1/2%) per annum; and


(b) The amount of any indebtedness to the company on the contract, including interest due and accrued;

and increased by any existing additional amounts credited by the company to the contract.

SECTION 2. This act shall take effect July 1, 2002, the public welfare requiring it.

PASSED: March 25, 2002


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this day of 2002

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had Senate Bill No. 175 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.